

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

PUBLIC SERVICES – Treasuries and Accounts Department – Fraudulent drawal of Military pensions on fake Pension Payment Orders by imposters in eight Districts viz. Visakhapatnam, Guntur, Cuddapah, Adilabad, Nizamabad, Medak, Nalgonda and Mahaboobnagar Districts - Criminal Proceedings and Departmental Proceedings initiated against Sri T.D. Jaya Prasad, DTO (Retd.), District Treasury Guntur - Charges not proved in the inquiry – Exonerated from the Charges and further action dropped – Orders – Issued.

FINANCE (ADMN.I.VIG.) DEPARTMENT

G.O.Rt.No. 2729

Dated: 16-07-2011

Read the following:-

1. Regional Joint Director-II, Cuddapah Charge Memo. No.A1/2546/99, dt.13.01.2000.
2. Statement of defence of Sri T.D. Jaya Prasad, DTO, District Treasury, Guntur, dt.21-02-2000
3. G.O.Rt.No.1079, Finance (Admn.I) Department, dt.19-06-2000.
4. Enquiry Report of Sri D.Tavudu, Joint Director of T&A, Region-I, Visakhapatnam, dt. 22-12-2000.
5. Govt. Memo.No.13529-B/127/A2/Admn.I/2001-1, dt. 23-12-2003
6. Explanation of Sri T.D. Jaya Prasad, DTO (Retd.), District Treasury, Guntur, dt.27-03-2004.
7. G.O.Rt.No.1517, Finance (Admn.I.Vig.) Department, dt.06-04-2006.
8. Judgment dt.21-04-2011 of the Court of Special Judge for SPE & ACB Cases, Vijayawada.
9. DTA Lr.No. K(I)4/16397/99, dated 25-05-2011.

ORDER:

The fake Pension Payment Orders under Military pensions were received by the Treasury Department in Visakhapatnam, Guntur, Cuddapah, Adilabad, Nizamabad, Medak, Nalgonda and Mahaboobnagar Districts and an amount of Rs.37,18,910/- was fraudulently drawn by the bogus military pensioners.

2. The Chief Controller of Defence Accounts [Pensions], Allahabad has issued various instructions for verification of the PPOs issued by them. TheDTA also reiterated and issued instructions from time to time. According to the instructions, the following verification is essential for Pension Payment Orders for payment.

1. Whether the PPO is received by the payment authority through authorized channel i.e., ensuing effective check of the postal seal embossed on the envelopes in order to ascertain the name of station from where it was posted.
2. Ensure that the PPO is issued by the Pension Sanctioning Authority.
3. Fake PPOs were marked 'Pension Certificate Copy' on the top instead of "ORIGINAL" [PDA Copy]
4. The signature should be ink signed not in rubber stamp.
5. The specimen signatures should be tallied with the specimen Signatures circulated by the CCDA [P], Allahabad.
6. Whether the Rubber stamp of the Officer concerned with his name and code number is affixed on the PPO.
7. It should be confirmed that the PPO forms were generated on Computer. The fake PPOs were in different forms.
8. The PPO is marked debit 'CIVIL ESTIMATES'
9. It should be confirmed that the PPOs are bearing uncolored seal

[Embossed].

10. It should be verified that the imprint of the uncolored seal is matching with the specimen circulated by the CCDA [P].
11. The District Sainik Welfare Officer has to identify the new pensioners and two old defence pensioners drawing pensions in the same treasury, who introduce the new defence pensioner
12. The PPOs should be dispatched through local delivery/post, but not handed over to the pensioners.
13. Check the PPO and details mentioned therein with the list of PPO received from PPO issuing authority. In case of doubt it should be verified with the CCDA [P] either through written communication or fax/telephone.
14. Payment shall be authorized only when Treasury Officer is personally satisfied that pensioner is genuine.

3. The following (3) Fake PPOs were received in the District Treasury, Guntur.

Sl.No.	Fake PPO NO.	Name of the Pensioner	Date of receipt
1.	S/012655/98	Sri Ashok Singh	14-09-1998
2.	S/012647/98	Sri Ganga Ram	12-10-1998
3.	S/012692/98	Sri Jainath	12-10-1998

The following District Treasury personnel were allegedly responsible for forwarding the fake PPOs to the Headquarter Sub-Treasury, Guntur without following the instructions of the Chief Controller of Defence Accounts [Pensions], Allahabad for arranging payment:

1. **Sri T.D.Jaya Prasad, District Treasury Officer, Guntur.**
2. **Sri A.Ameer Basha, Sub-Treasury Officer, District Treasury, Guntur.**
3. **Sri E.Veeraiah, Sub-Treasury Officer I/c, District Treasury, Guntur.**
4. **Sri Kamal Kishore Pancharya, Senior Accountant, Guntur.**

The following Sub-Treasury Personnel have processed and passed for payment of Pension on fake PPOs without following the instructions of the Chief Controller of Defence Accounts [Pensions], Allahabad.

1. Sri K.Satya Murthy, Sub Treasury Officer, Sub-Treasury, Guntur.
2. Sri M.Venkateswarlu, Senior Accountant, Sub-Treasury, Guntur.
3. Sri A.Mohana Rao, Shroff, Sub-Treasury, Guntur.

Sl.No.	Fake PPO NO.	Name of the Pensioner	Date of receipt	Amount of Pension paid
1.	S/012655/98	Sri Ashok Singh	14-09-1998	Rs.1,51,190
2.	S/012647/98	Sri Ganga Ram	12-10-1998	Rs.2,01,445
3.	S/012692/98	Sri Jainath	12-10-1998	Rs.1,46,664
Total				Rs.4,99,299

4. The following lapses were observed on the part of the Treasury employees:
 - Not followed the clear instructions of the CCDA/DTA while verifying the documents submitted by the Bogus Military pensioners.
 - Some of the PPOs were processed in no time i.e. within a day or two.
 - Basic verifications such as tallying the signatures of the authorized officers of Defence along with emblems and official paper used by the CCDA office were not done.
 - The PPOs filled by using a type writer instead of computer were also accepted. The fake PPOs were in different forms.

- The District Sainik Welfare Officer has to identify the new pensioners and two old defence pensioners who introduce the new defence pensioner. It was not followed in these cases.
- New pensioners were introduced to the Banks by the treasury persons for opening of an Account which was against the instructions prescribed.
- The descriptive rolls of fake pensioners showed that a group of persons submitted these fake documents to different District Treasuries and same persons were found to have submitted claims in different names. The misappropriations were committed with ease and the manner in which the cases were proceeded give rise to the suspicion that persons who were aware of the procedures both in CCDA office and District Treasury/Sub-treasuries colluded with the accused.
- For the lapses of non-verification of fake PPOs as per the procedure, the embezzlement took place.

5. Hence, Departmental Proceedings were initiated against the Treasury employees, who have not followed the guidelines issued by the Chief Controller of Defence Accounts [Pensions], Allahabad. The following articles of charge have been framed against **Sri T.D. Jaya Prasad, District Treasury Officer, Guntur.**

Article-I:

That the said T.D. Jaya Prasad, District Treasury Officer, Guntur while working as District Treasury Officer, Guntur during the period from 1998 to date has failed to observe necessary checks prescribed for making payment for the 1st time on new pension payment orders of C.C.D.A. (P), Allahabad and forwarded the 3 fake PPOs mentioned in the statement enclosed to the Annexure-I to STO and thereby giving scope for fraudulent drawal of Rs.4,99,299/- by some imposters.

6. The Charged Officer has stated that he approved the draft letter under the impression that all verifications have been done in the section by the S.A. and STO. Further he stated that the specimen signature and circular instructions are not exhaustive and stated that the STO, Guntur was specifically instructed to make payments as per rules at the time of forwarding PPOs. But the payments were made on fake PPOs at the STO, Guntur due to non-observation of relevant rules and procedural instructions which were in force as on the date of payment. He has also stated that had the STO, Guntur insisted for identification of the pensioners and had the payments was made at Bank, there is every scope to hold the loss to the state exchequer. Lastly he pleaded that it is practically not possible to take notice of every minute details of instructions at his level and requested to exonerate him from the charge.

7. In the G.O. 3rd read above, Government have appointed Sri D.Tavudu, the then Joint Director T&A, Region-I, Visakhapatnam and now Additional Director (Retd.) as Inquiry Officer to conduct regular inquiry under Rule 20 of A.P.C.S. (CC&A) Rules, 1991 into the charges framed against all the treasury employees involved in this case. The inquiry officer submitted his report on 22-12-2000. In his report, the Inquiry Officer observed that the explanation of the Charged Officer is convincing to the effect that the process of verification is to be done at the District Treasury by the Senior Accountant dealing with the subject and the supervisory officer i.e. STO level. Necessary checks are to be exercised down below him at two levels at the District Treasury. Moreover, it is not possible to exercise all minute detailed checks at the level of the DTO. Further, it is a draft letter with instructions to the ST, Guntur and the DTO has appended his signature on the draft letter put-up to him from the section. As such it is nothing but simple communication. Therefore, the responsibility cannot be fixed on the Charged Officer being the District and Head of Office to follow every minute aspect of the instructions. Hence, the charge is not proved.

8. Further, Criminal cases were also filed in the respective Districts. The CB CID has investigated the cases. The investigation report of the CID reveals that the Treasury Staff have intentionally evaded and failed to follow the guidelines and procedure issued in Circular No.K1/5026/728, dated 17-02-79 of Director of Treasuries and Accounts of

A.P., Hyderabad and Circular No. AT/TECH/FAKE/334 Volume-I, dated 08-12-93, 08-09-94, 19-10-94 and 2-12-96 issued by Chief Controller of Defence (Pensions) Allahabad circulated to all DTOs and STOs by the Director of Treasuries and Accounts to A.P., Hyderabad and conspired with accused Parsinath Singh @ Arun Singh and his associates in sanctioning military pensions on the fake pension payment orders. The CID has filed charge sheets in the competent Courts of jurisdiction against the accused Treasury employees besides the imposters who had drawn the Government money. Government accorded sanction for prosecution of the following Treasury personnel of Guntur District vide G.O.Rt.No.1517, Finance (Admn.I.Vig.) Department, dt.06-04-2006. The CID filed Charge Sheet in the Court of Spl. Judge for SPE & ACB Cases, Vijayawada in C.C.No.24/07 in Cr.No.115/2001 of Arundalpet, P.S., Guntur.

1. Kamal Kishore Pancharya, Senior Accountant.
2. Shaik Ameer Basha, STO (Retd.)
3. Edara Veeraiah, STO (Retd.)
4. Kondamuchi Satya Murthy, STO (Retd.)
5. Mandapu Venkateswarlu, Sr.Accountant
6. Ala Mohan Rao, Shroff.

9. As far as criminal proceedings are concerned, out of 7 Treasury personnel in Guntur District, the CID has not reported the involvement of **Sri T.D. Jaya Prasad, DTO (Retd.) Guntur**. There are no criminal proceedings against him.

10. Government, after careful consideration of the matter keeping in view the findings of the Inquiry Officer, hereby exonerate Sri T.D. Jaya Prasad, DTO (Retd.), District Treasury, Guntur from the charges and drop further action against him under Rule 9 of A.P.Revised Pension Rules,1980. Moreover no criminal proceedings were also launched against him.

11. The Director of Treasuries and Accounts shall take necessary further action in the matter and report compliance.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

RANJEEV R.ACHARYA
PRL.SECRETARY TO GOVERNMENT (FP)

To

The individual through the Director of Treasuries and Accounts, A.P., Hyderabad.

The Director of Treasuries and Accounts, A.P., Hyderabad.

Copy to:

The Secretary, A.P. Vigilance Commission, Secretariat, Hyderabad.

The Addl. DGP, CID, Hyderabad.

The Deputy Director, District Treasury, Guntur.

:: FORWARDED BY ORDER::

SECTION OFFICER